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CHANGFENG AXLE (CHINA) COMPANY LIMITED

暢豐車橋（中國）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the four months ended 30 April 2013, it is expected that the Group may continue to record a loss for the six months ending 30 June 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Changfeng Axle (China) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the four months ended 30 April 2013, it is expected the Group may continue to record a loss for the six months ending 30 June 2013 in light of (i) the decrease in sales volume of the Group’s axle components due to the weak market of medium and heavy duty truck; (ii) the continuing pressure on the gross margins of the Group’s axle products under the continuous keen competition within the industry; and (iii) the increase in administrative and research and development expenses.

The Company has yet to finalise the interim results of the Group for the six months ending 30 June 2013. The information contained in this announcement is based solely on a preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the four months ended 30 April 2013, which have not been audited or reviewed by the auditors of the Company and the actual results of the Group for the six months ending 30 June 2013 may be different from what is disclosed herein. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ending 30 June 2013 which is expected to be published before end of August 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Changfeng Axle (China) Company Limited
Mr. Wong Kwai Mo
Chairman

Hong Kong, 29 May 2013

As at the date of this announcement, the executive directors of the Company are Mr. Wong Kwai Mo, Ms. Wu Ching and Mr. Lai Fengcai; the non-executive director of the Company is Ms. Dong Ying, Dorothy; and the independent nonexecutive directors of the Company are Mr. Zhu Weizhou, Dr. Li Xiuqing and Mr. Chong Ching Hei.